

**UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT TACOMA**

WILLIAM T. WHITMAN, individually and on  
behalf of all others similarly situated,

Plaintiff,

v.

STATE FARM LIFE INSURANCE COMPANY,  
an Illinois corporation

Defendant.

No. 3:19-cv-06025-BJR

DECLARATION OF PRESTON LOVE

1 I, Preston Ray Love Jr., have personal knowledge of the information below and declare as  
2 follows:

3 1. I am Vice President of Agency Sales at State Farm Mutual Automobile Insurance  
4 Company, the parent of State Farm Life Insurance Company ("State Farm Life"). My present duties  
5 include driving territorial results, growth and agent engagement for State Farm in Washington,  
6 Alaska, Montana and Idaho, as well as the 14 sales territories within these states (the Western  
7 Market Area). In this role, I provide oversight and support to the 14 Sales Leaders managing the  
8 territories in connection with the recruitment, development and support of all independent contractor  
9 agents for State Farm ("Agents") in the Western Market area. Over 500 Agents currently operate  
10 within my area of responsibility. Approximately 387 of these Agents operate in the Washington  
11 state area, which encompasses all major counties in the state.

12 2. I have been associated with State Farm for 25 years. I have held a variety of positions  
13 at State Farm during that time. I started as a claim adjuster in Hot Springs, Arkansas, in 1995. I  
14 later worked as a team manager in underwriting and claims, and in human resources in policies and  
15 procedures before becoming an Agent for State Farm in 2006. I was an Agent from 2006 until 2008,  
16 servicing policyholders and potential policyholders in the Carrollton, Texas, area. In 2008, I went  
17 into agency leadership as a State Farm employee. I worked as an Agency Field Consultant in Dallas,  
18 Texas until 2010, supporting approximately 40 Agents in the Dallas area; an Agency Field Executive  
19 in Bakersfield, California, from 2010 until 2013, supporting approximately 38 Agents covering the  
20 central California region; a Sales Leader in Bakersfield, California, from 2013 until 2015, supporting  
21 approximately 38 Agents in the same region; and as a Leadership Enterprise Development Associate  
22 at State Farm's corporate headquarters in Bloomington, Illinois from 2015 until 2017, working on  
23 various projects to support the agency side, including projects involving Sales Practices Philosophies  
24 and Principles, Field Support and Training and Simple Conversation Realization.

25 3. During my career, I have earned several professional designations, including  
26 Chartered Leadership Fellow in 2009 and Chartered Life Underwriter in 2013 with the American  
27 College. I am also a member of GAMA International and the National Association of Insurance &

1 Financial Advisors. I have active licenses for property and casualty, health and life insurance in the  
 2 state of Washington. I have an Associate in Claims and an Associate in Insurance Services  
 3 designation, which are professional certifications for insurance claims adjusters conferred by the  
 4 Insurance Institute of America. I also hold a Series 6, Series 63 and Series 26 license issued by the  
 5 Financial Industry Regulatory Authority.

6 4. Throughout my association with State Farm, I have personally marketed, solicited  
 7 and serviced, or assisted with the marketing, solicitation and servicing of, different types of life  
 8 insurance products issued by State Farm Life, including flexible premium adjustable life insurance,  
 9 also known as Universal Life Insurance.

10 5. I understand that this lawsuit involves claims against State Farm Life relating to its  
 11 Universal Life insurance policy issued on Form 94030, which was sold in Washington between 1994  
 12 and 2004 (“the Policy” or “Universal Life”).

13 6. Through my association with State Farm as an Agent and in my various leadership  
 14 roles as an Agency Field Consultant, Agency Field Executive, a Sales Leader and a Vice President  
 15 of Agency Sales, I would estimate that I have personally spoken to hundreds of potential and  
 16 existing policyholders and Agents about State Farm Life’s life insurance products, including  
 17 specifically about the Policy at issue in this litigation. I have collaborated with and provided support  
 18 to Agents in Washington who marketed State Farm Life’s life insurance products during the relevant  
 19 time period, including the specific Policy at issue in this litigation. As an Agent, I also marketed  
 20 variable Universal Life insurance for State Farm Life in Texas.

#### 21 State Farm Agents

22 7. Agents are critical to State Farm’s business. State Farm sells its products, including  
 23 State Farm Life’s Universal Life insurance products, through independent contractor agents. State  
 24 Farm has approximately 19,000 independent contractor agents operating across the United States,  
 25 including approximately 387 Agents currently in Washington.

26 8. Policyholders who buy life insurance from State Farm Life, including the Policy at  
 27 issue in this litigation, learn about State Farm Life’s life insurance products from its Agents. Agents

1 speak with potential policyholders about their particular needs and wants in obtaining life insurance.  
 2 They discuss the various features and benefits of the products available to potential policyholders.  
 3 Potential policyholders also evaluate which product best suits their individual needs and wants  
 4 through discussions with their Agents. This may include reviewing written materials or brochures  
 5 about State Farm Life's life insurance products with their Agents. Potential policyholders also  
 6 submit their applications through their Agents if they decide to purchase a life insurance policy.

7         9. Agents who market life insurance products for State Farm Life come from all walks  
 8 of life, and State Farm values that diversity among its Agents. The Agents I have supported over the  
 9 years have differed in everything from their age and sex to their cultural and economic backgrounds.  
 10 They have also differed in their experience marketing State Farm's products. At any given time, I  
 11 have supported Agents who were in their first year of marketing State Farm products, and others  
 12 who had been marketing State Farm products for over 45 years. The Agents I have supported have  
 13 also differed in how they offer State Farm products. Some have long-standing relationships with  
 14 potential policyholders and meet with them regularly and frequently about their policies and  
 15 insurance needs. Others service a more transient base of potential policyholders and may only meet  
 16 with a potential policyholder on the day that he or she comes into their office wanting to purchase  
 17 life insurance. Many Agents meet with policyholders in their offices, but other Agents (particularly  
 18 those that have long-standing relationships with policyholders) meet with policyholders in their  
 19 homes.

20         10. State Farm does not control or manage the day-to-day operations of its Agents.  
 21 State Farm's role is instead to support its Agents in their ability to market State Farm's products to  
 22 its policyholders.

### 23 State Farm's Agency Structure

24         11. One of the ways that State Farm supports its Agents is through its agency leadership  
 25 structure. All Agents who market, solicit or service life insurance products issued by State Farm  
 26 Life are supported by several State Farm employees within their territorial area.

12. During the time that the Policy was being offered by State Farm Life in Washington, Agents who marketed life insurance products for State Farm Life, including Agents who would have marketed the Policy in Washington, were supported by an Agency Field Consultant, an Agency Field Executive and a Vice President of Agency Sales, among other State Farm sales leaders.<sup>1</sup> The nature and extent of support that sales leaders provide to Agents depends on the particular Agent and sales leader.

13. An Agency Field Consultant provided business consulting support to Agents in a particular market area and focused on supporting the Agent in their marketing and servicing of State Farm products. This may have included, as it did during the two years that I was an Agency Field Consultant, supporting Agents in various aspects of their businesses such as customer appointment preparation, business plan review, and case consultations. Each Agency Field Consultant supported approximately 35-40 Agents in a particular territory. In 2013, State Farm created the position of Sales Leader to handle these responsibilities.

14. An Agency Field Executive provided business consulting support to Agents in a particular market area on matters pertaining to the growth and administration of an Agent's business. This may have included, as it did during the five years when I was an Agency Field Executive, supporting Agents in building out their office and staffing model, providing graphics and materials to help in speaking to people about State Farm Life's life insurance products, developing a business plan, writing new business, servicing and retaining existing business, and expanding and developing future business. Each Agency Field Executive was responsible for approximately 35-40 Agents in a particular territory. In 2013, State Farm created the position of Sales Leader to handle these responsibilities.

15. At the time the Policy was sold in Washington, an Agency Field Executive was also responsible for providing oversight on matters such as compliance and proper authorization for

---

<sup>1</sup> In 2013, State Farm revised certain aspects of its reporting structure and position titles. However, the level of support provided to Agents by State Farm employees has remained the same.

1 conducting business. State Farm created the position of Agency Administration Leader in 2013 to  
2 handle these responsibilities.

3 16. As I discussed above, a Vice President of Agency Sales provides oversight and  
4 support to all Sales Leaders (previously known as Agency Field Consultants and Agency Field  
5 Executives) in their area of responsibility, including all Agents operating within the area. As a Vice  
6 President of Agency Sales of the Western Market area, I provide oversight and support to 14 Sales  
7 Leaders and over 500 Agents, including 387 Agents in Washington.

8 Agent training

9 17. Another way that State Farm supports its Agents is through its Agent training. State  
10 Farm requires all Agents and Agent employees who market, solicit or service State Farm Life's life  
11 insurance products, including State Farm Life's Universal Life insurance policies, to undergo  
12 training regarding life insurance generally, and Universal Life insurance policies specifically.  
13 Agents and their authorized employees are also required to be licensed and fulfill continuing  
14 education requirements in the states in which they operate. These requirements apply to the Agents I  
15 support who are currently operating in the state of Washington. These requirements also applied to  
16 the Agents who operated during the time the Policy was sold, including in the state of Washington. I  
17 know this because I went through State Farm's Agent training in Texas around this time period and  
18 was told during training that all State Farm Agents across the country were subject to the same  
19 requirements.

20 18. I have been trained on State Farm Life's life insurance products, and I have supported  
21 hundreds of Agents in Washington over the years who have been trained on State Farm Life's life  
22 insurance products, including Agents who were trained on the specific Policy at issue in this  
23 litigation in Washington during the relevant time period.

24 19. State Farm trains its Agents on the life insurance products available from State Farm  
25 Life, including the features and benefits that each product offers.

26 20. State Farm does not train its Agents on the specific words to use when speaking to  
27 potential policyholders about its products or features. Agents are not trained on a uniform sales

1 method. State Farm has no required script for how Agents must interact with potential  
2 policyholders.

3 21. State Farm encourages Agents to have discussions with potential policyholders that  
4 are individualized, needs-based and policyholder-centric, meaning that discussions about State Farm  
5 Life's life insurance products should be focused on the needs and goals of the particular  
6 policyholder. State Farm trains Agents on how to approach discussions with potential policyholders  
7 in a way that helps potential policyholders identify their particular needs and goals. For example,  
8 Agents are encouraged to ask potential policyholders simple, open-ended questions addressing what  
9 is most important to them financially, what coverage they currently have, whether there are any gaps  
10 in coverage, and what solutions could be put into place to help that potential policyholder. Agents  
11 can then do a life needs analysis to determine the potential policyholder's expenses, assets, what the  
12 individual needs to achieve his or her goals, and how life insurance may be able to fulfill those  
13 needs. But it is up to the Agents to decide how they want to approach these discussions and interact  
14 with potential policyholders about life insurance.

15 Individualized sales process

16 22. Pre-pandemic, the vast majority of State Farm Life's Universal Life policies were  
17 purchased by potential policyholders following face-to-face meetings with State Farm Agents or  
18 their authorized representatives or employees.

19 23. In my 25 years of experience working with State Farm, these face-to-face meetings  
20 have been and continue to be a critical avenue for potential policyholders to receive information  
21 about the products offered by State Farm, the specific features of a product, and how a particular  
22 product can match their financial needs and goals. As I noted above, State Farm trains its Agents on  
23 ways they can approach a needs-based conversation with potential policyholders and provide  
24 information about the products so that potential policyholders can determine if a particular policy  
25 meets their financial needs and goals. As I noted above, the style and nature of these discussions are  
26 left up to the individual Agent.

24. In my experience as an Agent and supporting other Agents marketing State Farm Life's Universal Life insurance over the years, State Farm Agents approached the sales process differently, and the conversations they had with policyholders about life insurance products, including the Policy, differed, too because each potential policyholder came into the meeting with different educational backgrounds, budgets, financial understanding, experience with life insurance, job security, marital status, economic conditions and personal objectives for themselves and their families, among many other differences in individual characteristics. For example, some of the Agents I support use a personal information factfinder, which is a document Agents can send to potential policyholders ahead of their meeting to get information about the potential policyholder's assets, liabilities, net worth and financial goals prior to better guide their meetings. Other Agents I know employ a relationship-oriented approach to marketing life insurance products, and encourage potential policyholders to come to their office for a "get to know me" meeting first, and then set up a separate appointment to discuss life insurance. I encourage Agents to take the approach that works best for them, for their business and for State Farm's customers.

25. As an Agent, it was my custom and practice to ask potential policyholders open-ended questions and do a life needs analysis to determine what they would need in the event of a death, so they could then determine what product best aligned with their needs. The conversations I had with potential policyholders differed depending on the potential policyholders' needs. Sometimes, the conversation would be about covering the cost of a home. Other times, it might be about securing a permanent policy that would not expire. I would then speak to the potential policyholder about his or her budget to help them evaluate what life insurance product might suit their needs best. For example, if the potential policyholder wanted permanent life insurance but did not have the money to afford a whole life policy – which I have often found to be the case for people with young children – Universal Life might fit nicely because of its price point. In my various leadership roles at State Farm, I have encouraged the Agents I support to have similar discussions with potential policyholders about their individual needs and goals in seeking life insurance and to individualize their discussions with potential policyholders based on those needs and goals. I have



1 also advised the Sales Leaders I oversee to have these discussions with the Agents we support.  
 2 Based on my interactions with other Agents, I know that many Agents did so, and that their  
 3 discussions with potential policyholders about life insurance differed based on what the potential  
 4 policyholder's particular needs were, as they did when I was an Agent.

5 26. Both as an Agent marketing life insurance products and as a leader supporting  
 6 hundreds of Agents marketing life insurance products over the years, I have been enthusiastic about  
 7 offering Universal Life insurance to potential policyholders because of its flexibility in monthly  
 8 premium payments, its competitive pricing and its benefits as compared to other life insurance  
 9 products. Universal Life insurance is in the middle on pricing and provides flexibility in monthly  
 10 premium payments and other product benefits, like guaranteed insurability, which allows it to be  
 11 used and funded by different policyholders in different ways.

12 27. I have often advised Sales Leaders to encourage the Agents we support to highlight  
 13 the guaranteed insurability feature with potential policyholders, because it meant that even if a  
 14 policyholder became uninsurable, he or she could still add additional life coverage. In my  
 15 experience as an Agent and as a State Farm leader supporting hundreds of Agents, this is one of the  
 16 premier benefits of Universal Life insurance, and a feature that potential policyholders find  
 17 particularly appealing in their consideration of life insurance products. In my experience, Agents  
 18 highlight this feature in different ways and to different degrees.

19 28. I have also often advised Sales Leaders to encourage the Agents we support to  
 20 highlight the variations in riders available to potential policyholders with Universal Life insurance.  
 21 For example, riders for accidental death and guaranteed insurability had flat monthly charges,  
 22 whereas a rider for the waiver of monthly deduction operated as a percentage of the cost of insurance  
 23 rate. There is also a flexible care benefit rider, which State Farm Life made available in Washington  
 24 over the last five years. In my experience, this is a benefit that many potential policyholders want,  
 25 as it allows them to have money in their policy to address long term care needs. As an Agent, it was  
 26 my custom and practice to advise potential policyholders that the riders they chose would impact the  
 27 amount of the monthly deductions from their account value, and I have advised Sales Leaders to

1 encourage the Agents we support to do the same. In my experience, Agents discuss the riders with  
2 potential policyholders in different ways, and some Agents discuss it more than others.

3 29. In my various leadership roles over the years, I have regularly advised Sales Leaders  
4 to encourage the Agents we support to tell potential policyholders that Universal Life policies give  
5 policyholders the flexibility to pay more or less in premiums so long as the policy has enough cash  
6 value to cover the monthly costs of maintaining their policies, including the cost of insurance charge.  
7 In my role supporting State Farm Agents, I have told Agents that in discussing the flexibility of the  
8 Universal Life policy, they should discuss with potential policyholders their individual needs to  
9 ensure they are funding the minimum premium amount to fund the policy over time, and the impact  
10 their premiums have on the performance of the policy. I have also encouraged the Agents I support  
11 to use amended illustrations to show potential policyholders how their use of the policy could result  
12 in changes to the minimum premium amounts and the performance of the policy. I have found in  
13 my experience that Agents differ in the ways and extent that they discuss how policy usage can  
14 impact the policy's premium payments and overall performance.

15 30. I have also regularly advised Agents to explain to potential policyholders that there  
16 was a minimum, intermediate and maximum cash value that policyholders could accumulate in a  
17 Universal Life policy, and that the amount of premium paid helped accumulate the cash value in the  
18 account. The minimum amount existed to ensure that there was enough cash value in the account to  
19 fund the policy over time. The maximum amount existed to ensure that the policy did not become a  
20 modified endowment contract that would have tax consequences for the policyholder.

21 31. As an Agent, it was my custom and practice to explain to potential policyholders that  
22 a portion of their premium went toward covering the monthly costs of their policies, including their  
23 cost of insurance charge, and I have regularly advised Sales Leaders to encourage the Agents we  
24 support to do the same.

25 32. It was also my custom and practice as an Agent to explain to potential policyholders  
26 that their cost of insurance depended on their individual age, sex and rate class, and I have regularly  
27 advised Sales Leaders to encourage the Agents we have supported over the years to do the same.

1 Based on my interactions with other Agents, I know many Agents who have told potential  
 2 policyholders that their rate class would be determined for each individual insured under the policy  
 3 by reference to the health and risk characteristics of that insured, as determined through State Farm  
 4 Life's underwriting process. Agents also explained that the proposed insured would have to go  
 5 through underwriting, which is the process through which State Farm Life evaluates the health and  
 6 risk characteristics of each insured before assigning a permanent rate class.

7 33. I also frequently discussed with policyholders, and encouraged other Agents to  
 8 discuss, that the cost of insurance would also depend on the insured's sex, and the insured's age at  
 9 any given time over the life of the policy. Sometimes when a married couple would buy insurance  
 10 together, they would wonder why the husband would pay more than the wife. This would lead to  
 11 conversations around the fact that rates for women are lower because women have a longer life  
 12 expectancy. Similar conversations occurred around the issue of age, where customers were told that  
 13 their cost of insurance rate and charge for the same amount of coverage would increase over time as  
 14 the insured got older. I have advised Sales Leaders to encourage the Agents we support to explain  
 15 this information to potential policyholders, and I know that many Agents I have supported have had  
 16 similar conversations with potential policyholders over the years.

17 34. It was my usual custom and practice as an Agent to use illustrations to show potential  
 18 policyholders how their Universal Life policies would likely perform over time given all of the  
 19 variable features. These illustrations also helped potential policyholders see how their policies  
 20 would perform under a "worst case" scenario, in which they paid the maximum cost of insurance  
 21 charge set forth in the policy while achieving the minimum interest rate set forth in the policy. The  
 22 illustration would incorporate information about the age, sex and likely rate class of the person  
 23 whose life was the subject of the policy, and the performance would vary for each policyholder  
 24 depending on that information.

25 35. I collected as much information as I could from potential policyholders to help  
 26 develop the illustration of their likely rate class, and thus the potential policyholder's likely cost of  
 27 insurance rate. This information included the individual's age, sex, and initially, personal health

1 characteristics that would go into determining his or her likely rate class (such as whether he or she  
2 was a smoker, had substandard health, or had any chronic health conditions). I also would ask about  
3 the amount of insurance the potential policyholder was interested in purchasing and the amount of  
4 premium he or she was willing to pay on a monthly or yearly basis.

5 36. The illustration showed potential policyholders how their Universal Life policies  
6 would likely perform from the time the policy goes into effect until age 99, subject to the  
7 determination of the insured's final rate class through underwriting, which could end up being a  
8 different rate class depending on the information developed in the underwriting process. In  
9 reviewing illustrations with potential policyholders, it was my custom and practice to highlight the  
10 potential policyholder's account value on year 1, including how much went toward cost of insurance  
11 and cash value. Potential policyholders could then see how their cost of insurance for a particular  
12 amount of coverage increased each year as they got older. I know that I was not alone in doing this.  
13 While each potential policyholder interaction is unique, based on my interactions with other Agents,  
14 I know Agents in Washington who have had discussions with potential policyholders about how  
15 their cost of insurance rates increase as they get older. I have also advised Sales Leaders to  
16 encourage the Agents we support to have similar conversations with potential policyholders,  
17 including specifically highlighting for potential policyholders their account value at age 50 and age  
18 90 to show them how these costs changed over time.

19 37. In my interactions with hundreds of existing and potential policyholders and Agents  
20 over the years, I have not seen or heard anything to suggest that a policyholder believed his or her  
21 cost of insurance would not increase over the life of the policy. To the best of my knowledge, I have  
22 never seen the internal mortality tables that State Farm Life used during the ratemaking process. I  
23 was not instructed to, nor did I, use such mortality tables in the marketing and sale of universal life  
24 policies as an Agent, nor have I instructed any independent contractor agent to do so in my various  
25 leadership roles. No policyholder, to my knowledge, expressed any expectation that their cost of  
26 insurance rate would be selected from internal State Farm Life mortality tables. Instead, again,  
27

1 policyholders were told that their individual cost of insurance rate and charge would be based on the  
2 individual age, sex and applicable rate class of the person insured under the policy.

3 38. I have often advised Sales Leaders to encourage the Agents we support to focus their  
4 discussions with potential policyholders on the individual's personal health characteristics and how  
5 those characteristics affect an individual's rate class. I have encouraged Agents to explain to  
6 potential policyholders how their premium will be lower if they are in good health, including by not  
7 smoking. As noted, it is these health characteristics that will determine the rate class for each  
8 individual insured. If the policyholder decides to increase his or her coverage under the policy, the  
9 insured will go through underwriting again, and any improvements in health will be taken into  
10 account in determining the insured's rate class for the new amount of coverage. This has prompted  
11 policyholders to increase their death benefits and keep the same premium. Based on my interactions  
12 with other Agents, it is my understanding that there were a number of Agents in Washington who  
13 discussed with potential policyholders how their individual health characteristics could impact their  
14 individual rate class.

15 39. In my experience as an Agent and in my various leadership roles supporting Agents  
16 in marketing Universal Life policies over the years, potential policyholders have regularly conveyed  
17 an understanding that the individual characteristics of the person insured affected their individual  
18 assigned rate class, and that those characteristics, along with their age and sex, impacted their  
19 individual cost of insurance rate. As an Agent, for example, I specifically remember individuals  
20 who were smokers asking me whether their cost of insurance rate will be affected by their smoking  
21 status, whether their rate would decrease if they quit smoking in the future, or whether they would  
22 need to discontinue their policy and purchase a new one. I also remember some individuals  
23 wondering why one person of a particular age or gender was paying more than another. As noted  
24 above, I typically would explain that women generally pay less than men, and that smoking status is  
25 considered as part of an insured's permanent rate class for each amount of coverage, so that an  
26 insured who quit smoking could get a lower rate on any new coverage amount. I know other Agents  
27 I have supported over the years who had similar conversations.

40. Through my work at State Farm, I do not recall ever hearing an Agent speak to a potential policyholder in terms of a “typical” cost of insuring someone of a particular age and sex. Agents are trained to be aware that a potential policyholder might have a chronic health condition that will increase his or her cost of insurance relative to someone else of the same age and sex. As I discussed above, I and other Agents I have supported over the years discussed cost of insurance with potential policyholders in terms of their individual cost of insurance rates and how that rate would be based on their individual age, sex and rate class.

#### Underwriting

41. After reviewing the policy illustration and other features with the potential policyholder, if the person wanted to proceed with the purchase of insurance, it was my custom and practice to provide potential policyholders with an application to complete and then refer the person to State Farm Life’s underwriting process. As noted, the underwriting process is how State Farm Life confirms additional health characteristics and other information that will affect the insured’s applicable rate class (and the corresponding cost of insurance rate), and how a potential insured will be formally assigned a rate class, also known as an underwriting class. At the times relevant here, the process was in-depth and often required potential policyholders to undergo a medical examination. It was my custom and practice to explain to potential policyholders that the results of the underwriting review could affect their cost of insurance rate, including if they had health conditions that would cause them to fall into a “substandard” underwriting class, sometimes known as the table rating process, if the individual turned out not to be as healthy as he or she initially thought. This, in turn, would determine the cost of insurance amount that would be charged under the policy. I know a number of other Agents in Washington who spoke with potential policyholders about how the underwriting process – and the potential policyholder’s individual health characteristics in particular – could affect their individual, assigned rate class and thus, their cost of insurance rate.

42. In my experience as an Agent and in my leadership roles supporting hundreds of State Farm Agents marketing State Farm Life’s Universal Life policies over the years, I also do not recall

1 ever hearing of any potential policyholders asking questions about State Farm Life's ratemaking  
 2 process for developing its underlying cost of insurance rate tables or otherwise concerning how cost  
 3 of insurance rates were developed by State Farm in the first instance. I also do not recall ever  
 4 hearing of any potential policyholders expressing an expectation that their cost of insurance rate  
 5 would be selected from internal State Farm Life mortality tables. As discussed above, potential  
 6 policyholders were more interested in the rate that was being assigned to them as a result of their  
 7 individual age, sex and rate class, and whether different health factors could get them into a different  
 8 rate class and, thus, a lower cost of insurance rate.

9 Post-Purchase Discussions

10 43. It was my custom and practice as an Agent to reach out to policyholders after their  
 11 policies were issued, and I have regularly advised Sales Leaders to encourage the Agents I have  
 12 supported in my various leadership roles to do the same. I have specifically advised Sales Leaders to  
 13 encourage the Agents we support to have annual checkups with policyholders to make sure the  
 14 policies still meet their individual needs and determine if any additional or different coverage is  
 15 needed. I have also advised Sales Leaders to encourage the Agents we support to review the policies  
 16 with policyholders during these annual meetings. While every policyholder interaction is different,  
 17 based on my interactions with other Agents, I know Agents in Washington who reach out to  
 18 policyholders about their policies on a regular basis. I know other Agents who speak with  
 19 policyholders more infrequently, or when policyholders reach out to them with questions.

20 44. State Farm Life sends every Universal Life policyholder an annual notice that  
 21 describes their policy values on or around the policy anniversary, interest credited on the account  
 22 value, and the amount of deductions for things like cost of insurance, expenses and riders. I know  
 23 Agents who have spent time with policyholders reviewing their annual notices.

24 45. Policyholders are also free to reach out to their State Farm Agents with any questions  
 25 they might have about their Universal Life insurance policies at any time, including after the policies  
 26 are issued.



46. Throughout my work at State Farm, I do not recall ever hearing of a potential policyholder asking questions after his or her policy was issued either to me as an Agent, or to the Agents I have supported in marketing Universal Life policies over the years, about State Farm Life's ratemaking process for developing its underlying cost of insurance rate tables or otherwise concerning cost of insurance rate calculation.

Personal Universal Life Policies

47. I personally own universal life insurance issued on the 94000 series form at issue in this litigation. I bought insurance issued on the Policy for both myself and for my wife in August of 2001 in Louisiana, and we still have our policies to this day. At the time I purchased insurance on the Policy, I was not a State Farm Agent.

48. I bought the Policy because my wife and I had recently had a baby and I had just started a new job, and I wanted life insurance that could give me the peace of mind of knowing I had death benefits to take care of my family in the event something happened to me. I also wanted the flexibility of being able to borrow money in the event my family had an immediate need (which happened about two years later, when I borrowed money to help with a down payment for a family car). I have continued to use the Policy's flexibility over the years by exercising my guaranteed insurability benefits and increasing my death benefits.


49. At the time I purchased the Policy, I understood there were costs associated with purchasing insurance, and I understood that the cost of insurance rate took these costs and expenses into account. I also understood that the cost of insurance rate for my policy was assigned to me based on my age, sex and rate class. That was why my wife and I had different cost of insurance rates; she was assigned one rate based on her individual characteristics, and I was assigned a different rate based on mine. I did not understand the cost of insurance rate to refer to how State Farm Life calculated its underlying rates, nor did I understand that my cost of insurance rate would be selected from internal State Farm Life mortality tables. I marketed Universal Life policies to potential policyholders consistent with this understanding, and I know other Agents I have supported



1 in marketing Universal Life policies over the years who have discussed the policies with existing  
2 and potential policyholders in the same way.

3 I declare under the penalty of perjury under the laws of the United States of America that the  
4 foregoing is true and correct.

5 Executed this 26th Day of March, 2021 in Gig Harbor, WA.

6   
7 \_\_\_\_\_  
8 Preston Love  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27